

## Message Text

CONFIDENTIAL

PAGE 01 SEOUL 00276 150832Z

17

ACTION OES-04

INFO OCT-01 EUR-12 EA-06 ISO-00 ACDA-05 CIAE-00 INR-07

IO-10 L-02 NSAE-00 NSC-05 RSC-01 FEA-01 EB-07 COME-00

XMB-02 AEC-05 DODE-00 PA-01 USIA-06 PRS-01 SP-02 /078 W

----- 033180

P R 150805Z JAN 75

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 7904

INFO AMEMBASSY OTTAWA

AMEMBASSY TOKYO

AMEMBASSY LONDON

C O N F I D E N T I A L SEOUL 0276

STATE PASS EXIM

E.O. 11652: GDS

TAGS: ETRD, TECH, KS, CA, JA, UK

SUBJECT: KOREAN PURCHASE OF CANDU REACTOR

REF: (A) STATE 7986 (NOTAL); (B) OTTAWA 142 (NOTAL)

1. IN RESPONSE TO REF A EMBOFF CALLED ON KECO VICE-PRESIDENT  
SUNG, NACK CHUNG AND RECEIVED FOLLOWING INFORMATION.

2. TOTAL CANDU PROJECT COSTS WILL BE OVER DOLLARS 700  
MILLION. FOREIGN EXCHANGE COSTS FOR CANDU UNIT WILL BE  
DOLLARS 570 MILLION, SOURCED AS FOLLOWS:

A) CANADIAN DOLLARS 300 MILLION FROM EDC AT 8.5 PERCENT  
INTEREST.

B) CANADIAN DOLLARS 35 MILLION FROM CANADIAN COMMERCIAL  
SOURCES AT LONDON INTER-BANK OFFER RATE (LIBOR) PLUS 1.5  
PERCENT INTEREST.

C) ENGLISH POUNDS TWENTY MILLION (KECO TRANSLATES THIS  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SEOUL 00276 150832Z

INTO CANADIAN DOLLARS 45 MILLION) FROM ECGD AT 8.5

PERCENT INTEREST.

D) CANADIAN DOLLARS 190 MILLION TO MAKE UP BALANCE HAS NOT REPEAT NOT BEEN PINNED DOWN YET, BUT KECO OFFICIAL SAID EDC OF CANADA HAS PROMISED TO ARRANGE THIS FROM "SOME SOURCE" BY MIDDLE OF FEBRUARY 1975.

3. KECO OFFICIAL SAID ENGLISH FINANCING WAS TO SUPPORT COST OF TURBINE GENERATOR. KECO OFFICIAL UNSURE BUT THOUGHT "PERKINS" FIRM WOULD BE SUPPLIER.

4. KECO OFFICIAL SAID SECOND CANDU UNIT WAS NOT IN PICTURE AT PRESENT TIME, BUT THAT ROKG HAD REQUESTED CANADA PROVIDE RESEARCH REACTOR AND THIS POSSIBILITY WAS "STILL OPEN," PENDING FINAL CANADIAN REPLY.

5. ON OTHER ASPECTS OF FINANCING, I.E. GRACE PERIOD AND MATURITY TIME, KECO OFFICIAL WAS UNSURE AND PROMISED TO FOLLOW UP WITH REQUESTED INFORMATION. SOFT TERMS REFERRED TO IN REF A WOULD PROBABLY ONLY REFER TO NON-COMMERCIAL FINANCING.

SNEIDER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, COSTS, NUCLEAR REACTORS, INTEREST RATES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975SEOUL00276  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750015-0178  
**From:** SEOUL  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750149/aaaabrkw.tel  
**Line Count:** 83  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION OES  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 7986, 75 (NOTA OTTAWA 142  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 MAY 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06 MAY 2003 by SmithRJ>; APPROVED <07 MAY 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KOREAN PURCHASE OF CANDU REACTOR  
**TAGS:** ETRD, TECH, KS, CA, JA, UK  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006